

Press Release

The Suguna Mills Private Limited

October 03, 2022



Rating Reaffirmed and Issuer not co-operating

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|------------------------------------|------------------|--|-------------------|
| Bank Loan Ratings | 7.60 | ACUITE B Reaffirmed Issuer not co-operating* | - |
| Total Outstanding Quantum (Rs. Cr) | 7.60 | - | - |
| Total Withdrawn Quantum (Rs. Cr) | 0.00 | - | - |

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE B**' (read as **ACUITE B**) on the Rs. 7.60 crore bank facilities of The Suguna Mills Private Limited. The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

About the Company

The Suguna Mills Private Limited (TSPL) was incorporated in 1956. The Promoter of the company was Sri. G.V. Kasthurisamy Naidu. The company is currently managed by S. Suguna and B. Selvarajan who is having an experience of over five decades in the textile industry. It is engaged in the manufacturing of cotton yarn with spindles capacity of 14432 of count 80s and 100s. The Spinning unit of the company is situated at Sugunapuram, Palghat Road, Kunimthur, Coimbatore.

Non-cooperation by the issuer/borrower:

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date.

Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Limitation regarding information availability:

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuite endeavored to gather information about the entity/industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Rating Sensitivity

"No information provided by the issuer / available for Acuite to comment upon."

Material Covenants

None

Liquidity Position

"No information provided by the issuer / available for Acuite to comment upon."

Outlook

Not Applicable

Status of non-cooperation with previous CRA

None

Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

| Date | Name of Instruments/Facilities | Term | Amount (Rs. Cr) | Rating/Outlook |
|-------------|--------------------------------|-----------|-----------------|--|
| 13 Jul 2021 | Term Loan | Long Term | 1.86 | ACUITE B (Issuer not co-operating*) |
| | Cash Credit | Long Term | 2.50 | ACUITE B (Issuer not co-operating*) |
| | Term Loan | Long Term | 2.04 | ACUITE B (Issuer not co-operating*) |
| | Term Loan | Long Term | 1.20 | ACUITE B (Issuer not co-operating*) |
| 15 Apr | Cash Credit | Long Term | 2.50 | ACUITE B (Downgraded and Issuer not co-operating*) |
| | Term Loan | Long Term | 1.86 | ACUITE B (Downgraded and Issuer not co-operating*) |

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|-------------|-------------|-----------|------|--|
| 2020 | Term Loan | Long Term | 1.20 | ACUITE B (Downgraded and Issuer not co-operating*) |
| | Term Loan | Long Term | 2.04 | ACUITE B (Downgraded and Issuer not co-operating*) |
| 12 Feb 2019 | Term Loan | Long Term | 1.86 | ACUITE B+ Stable (Assigned) |
| | Cash Credit | Long Term | 2.50 | ACUITE B+ Stable (Assigned) |
| | Term Loan | Long Term | 2.04 | ACUITE B+ Stable (Assigned) |
| | Term Loan | Long Term | 1.20 | ACUITE B+ Stable (Assigned) |

Annexure - Details of instruments rated

| Lender's Name | ISIN | Facilities | Date Of Issuance | Coupon Rate | Maturity Date | Quantum (Rs. Cr.) | Rating |
|---------------------|----------------|-------------|------------------|----------------|----------------|-------------------|--|
| Union Bank of India | Not Applicable | Cash Credit | Not Applicable | Not Applicable | Not Applicable | 2.50 | ACUITE B Reaffirmed Issuer not co-operating* |
| Union Bank of India | Not Applicable | Term Loan | Not available | Not available | Not available | 1.20 | ACUITE B Reaffirmed Issuer not co-operating* |
| Union Bank of India | Not Applicable | Term Loan | Not available | Not available | Not available | 2.04 | ACUITE B Reaffirmed Issuer not co-operating* |
| Union Bank of India | Not Applicable | Term Loan | Not available | Not available | Not available | 1.86 | ACUITE B Reaffirmed Issuer not co-operating* |

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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